

STATE OF NORTH CAROLINA
WAKE COUNTY

FILED IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
17-CVS- 001033

2017-03-23 P. 033
STATE OF NORTH CAROLINA, *ex rel.*
JOSH STEIN, Attorney General,

Plaintiff,

v.

VOLKSWAGEN AG, AUDI AG,
VOLKSWAGEN GROUP OF AMERICA, INC.
(D/B/A VOLKSWAGEN OF AMERICA, INC.
OR AUDI OF AMERICA, INC.), AUDI OF
AMERICA, LLC., AND VOLKSWAGEN
GROUP OF AMERICA CHATTANOOGA
OPERATIONS, LLC, DR. ING H.C. F.
PORSCHE AG AND PORSCHE CARS
NORTH AMERICA, INC.,

Defendants.

CONSENT JUDGMENT

PREAMBLE

THIS CAUSE came on to be heard and was heard before the undersigned Wake County Superior Court Judge for entry of a Consent Judgment between Plaintiff, State of North Carolina, by and through its Attorney General, and defendants Volkswagen AG, Audi AG, Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of America, Inc.), Audi of America, LLC, and Volkswagen Group of America Chattanooga Operations, LLC (collectively "Volkswagen"), Dr. Ing. h.c. F. Porsche AG and Porsche Cars North America, Inc. (together, "Porsche," and Porsche and Volkswagen collectively, "Defendants").

Plaintiff State of North Carolina (hereinafter "State") brought this action pursuant to the provisions of North Carolina's Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. §§75-1.1 *et seq.*, having filed a Complaint against Defendants.

WHEREAS, prior to bringing this action and on or about June 28, 2016, the State (together with a coalition of other states and jurisdictions (hereinafter "Multistate Coalition")) and Defendants entered into a Partial Settlement Agreement ("Settlement Agreement") to resolve certain claims and potential claims concerning the Subject Vehicles. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit A.

WHEREAS, the State and Defendants (collectively "Parties") now seek entry of a Consent Judgment consistent with the terms and definitions agreed to by the Parties in the Settlement Agreement and reiterated herein.

WHEREAS, the Parties wish to avoid the expense, uncertainty, and inconvenience of potential litigation.

WHEREAS, the Parties agree there is no just reason for delay to entry of this

Consent Judgment without trial or adjudication of any issue of fact or law.

WHEREAS, contemporaneous with the filing of this Consent Judgment, the Defendants are entering into similar agreements with other members of the Multistate Coalition.

WHEREAS, the Court finds that the Parties have agreed to the entry of this Consent Judgment by the Court without trial or adjudication of any issue of fact or law.

WHEREAS, Plaintiff, the State of North Carolina, asserts that it is acting through its Attorney General, Josh Stein, pursuant to authority granted in Chapters 75 and 114 of the North Carolina General Statutes to protect the consuming public from unlawful business practices.

WHEREAS, Volkswagen AG is a corporation organized under the laws of Germany, is the parent corporation of Audi AG and Volkswagen Group of America, Inc., and has its principal place of business in Wolfsburg, Germany.

WHEREAS, Audi AG is a corporation organized under the laws of Germany, has its principal place of business in Ingolstadt, Germany, and 99.55% of its stock owned by Volkswagen AG.

WHEREAS, Volkswagen Group of America, Inc. is a corporation organized under the laws of the State of New Jersey, with its principal place of business located at 2200 Ferdinand Porsche Drive, Herndon, Virginia.

WHEREAS, Audi of America, LLC is a Delaware limited liability company and a wholly-owned subsidiary of Volkswagen Group of America, Inc., with its principal place of business located at 2200 Ferdinand Porsche Drive, Herndon, Virginia.

WHEREAS, Volkswagen Group of America Chattanooga Operations, LLC

("VW Chattanooga") is a Tennessee limited liability company and a wholly-owned subsidiary of Volkswagen Group of America, Inc., with its automotive manufacturing activities and principal place of business in Chattanooga, Tennessee.

WHEREAS, Dr. Ing. h.c. F. Porsche AG is a corporation organized under the laws of Germany, has its principal place of business in Stuttgart, Germany, and is an indirect wholly owned subsidiary of Volkswagen AG.

WHEREAS, Porsche Cars North America, Inc. is a Delaware corporation that has its principal place of business at One Porsche Drive, Atlanta, Georgia.

WHEREAS, the State asserts that at all times relevant to this action, Defendants transacted business throughout North Carolina by selling and leasing the Subject Vehicles at multiple car dealerships. Further, Defendants marketed and advertised the Subject Vehicles through print and electronic media disseminated throughout North Carolina.

WHEREAS, the State alleges that Defendants engaged in deceptive and unfair practices in connection with Defendants' marketing, advertising, distribution, sale and lease of certain 2.0-liter and 3.0-liter diesel passenger vehicles (the "Subject Vehicles")¹ containing undisclosed software allegedly intended to circumvent federal or state emissions standards.

WHEREAS, Defendants consent to this Court's continuing subject matter and personal jurisdiction solely for purposes of entry, enforcement and modification of this Consent Judgment and without waiving their right to contest this Court's jurisdiction in other matters.

¹ The Subject Vehicles are identified in the chart at pages 7-8, *infra*.

WHEREAS, solely for purposes of entry, enforcement and modification of this Consent Judgment, Defendants consent to venue in this Court and do not waive their right to contest this Court's venue in other matters.

WHEREAS, Defendants hereby accept and expressly waive any defect in connection with service of process in this action issued to each Defendant by the State, and further, consent to service upon the below-named counsel via email of all process in this action.

WHEREAS, the parties agree that the provisions of this Consent Judgment shall be construed in accordance with the laws of North Carolina.

WHEREAS, the Parties have agreed to resolve their differences and the agreement of the Parties is just and reasonable with respect to all of the Parties.

WHEREAS, the Court approves the terms of the Parties' agreement and adopts them as its own determination of the Parties' respective rights and obligations.

BASED ON THE FOREGOING AND THE AGREEMENT OF THE PARTIES MANIFESTED HEREIN IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

I. DEFINITIONS

For purposes of this Consent Judgment, the following definitions apply:

1.1 "Covered Conduct" means any and all acts or omissions, including all communications, occurring up to and including the effective date of the Settlement Agreement executed in June 2016, relating to: (i) the design, installation, presence, or failure to disclose any Defeat Device in any Subject Vehicle; (ii) the marketing or advertisement of any Subject Vehicle as green, clean, or environmentally friendly (or similar such terms), and/or compliant with state or federal emissions standards, including

the marketing or advertisement of any Subject Vehicles without disclosing the design, installation or presence of a Defeat Device; and (iii) the offering for sale, sale, or lease of the Subject Vehicles in North Carolina. As expressly set forth in Paragraphs 3.9 through 3.15, this Consent Judgment effectuates only a partial resolution and release of claims arising from the Covered Conduct.

1.2 "Defeat Device" means "an auxiliary emission control device ("AECD") that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless: (i) Such conditions are substantially included in the Federal emission test procedure; (ii) The need for the AECD is justified in terms of protecting the vehicle against damage or accident; (iii) The AECD does not go beyond the requirements of engine starting; or (iv) The AECD applies only for emergency vehicles[,] 40 C.F.R. § 86.1803-01, or "any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [the Emission Standards for Moving Sources section of the Clean Air Act], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use," 42 U.S.C. §7522(a)(3)(B).

1.3 "Escrow Account" means the bank account established for purposes of making the escrow payment set forth in paragraph 6(A)(i) of the Settlement Agreement.

1.4 "Escrow Agent" means Citibank, N.A., as the mutually agreed escrow agent under paragraph 6(A)(i) of the Settlement Agreement.

1.5 "Escrow Agreement" means the agreement between Volkswagen Group of America, Inc. and the Escrow Agent concerning the creation of the Escrow Account.

1.6 "MDL" means the multidistrict litigation styled as *In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-02672-CRB (N.D. Cal.) (MDL 2672).

1.7 "Multistate Coalition" refers to the states and other jurisdictions represented by the authorized signatories to the Settlement Agreement.

1.8 "Subject Vehicles" means each and every light duty diesel vehicle equipped with a 2.0-liter or 3.0-liter TDI engine that Volkswagen and Porsche or their respective affiliates sold or offered for sale in, leased or offered for lease in, or introduced or delivered for introduction into commerce in the United States or its states or territories, or imported into the United States or its states or territories, and that is or was purported to have been covered by the following United States Environmental Protection Agency ("EPA") Test Groups:

**2.0 Liter
Diesel Models**

Model Year	EPA Test Group	Vehicle Make and Model(s)
2009	9VWXV02.035N 9VWXV02.0U5N	VW Jetta, VW Jetta Sportwagen
2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen
2012 2013 2014	CVWXV02.0U4S DVWXV02.0U4S EVWXV02.0U4S	VW Passat
2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible, VW Golf, VW Golf Sportwagen, VW Jetta, VW Passat, Audi A3

**3.0 Liter
Diesel Models**

Model Year	EPA Test Group	Vehicle Make and Model(s)
2009	9ADXT03.03LD	VW Touareg, Audi Q7
2010	AADXT03.03LD	VW Touareg, Audi Q7
2011	BADXT03.02UG BADXT03.03UG	VW Touareg Audi Q7
2012	CADXT03.02UG CADXT03.03UG	VW Touareg Audi Q7
2013	DADXT03.02UG DADXT03.03UG DPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel
2014	EADXT03.02UG EADXT03.03UG EPRXT03.0CDD EADXJ03.04UG	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5
2015	FVGAT03.0NU2 FVGAT03.0NU3 FPRXT03.0CDD FVGAJ03.0NU4	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5
2016	GVGAT03.0NU2 GPRXT03.0CDD GVGAJ03.0NU4	VW Touareg Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5

1.9 "UDAP Laws" means claims or potential claims the State asserted or could assert in its sovereign enforcement capacity or as *parens patriae* on behalf of its citizens under all potentially applicable consumer protection and unfair and deceptive trade practices laws, including, without limitation, N.C. Gen. Stat. §§ 75-1.1 *et seq.*, as well as common law and equitable claims.

II. ADMISSIONS

2.1 Porsche neither admits nor denies any of the Attorney General's allegations in the Complaint.

2.2 With the exception of the following paragraph, Volkswagen neither admits nor denies any of the Attorney General's allegations in the Complaint.

2.3 Volkswagen admits: (A) that software in the 2.0 Liter Subject Vehicles enables the vehicles' Electronic Control Modules ("ECMs") to detect when the vehicles

are being driven on the road, rather than undergoing Federal Test Procedures; (B) that this software renders certain emission control systems in the vehicles inoperative when the ECM detects the vehicles are not undergoing Federal Test Procedures, resulting in emissions that exceed EPA-compliant and California Air Resources Board-compliant levels when the vehicles are driven on the road; and (C) that this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 2.0 Liter Subject Vehicles, and, as a result, the design specifications of the 2.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

2.4 This Consent Judgment shall not constitute an admission by Volkswagen or Porsche of liability of any kind, including, but not limited to, liability under the laws of North Carolina or any other laws, rules, or regulations.

III. COMPLIANCE PROVISIONS AND INJUNCTIONS

IT IS ORDERED, ADJUDGED, AND DECREED that:

Monetary Relief

3.1 On August 10, 2016,² Volkswagen paid:

- i. To the Escrow Agent, \$443,536,500.00 (“the Multistate UDAP Payment”), for disbursement among the Multistate Coalition in accordance with the Escrow Agreement. Based on an agreement among the Multistate Coalition, the amount the State of North

² Various settlement documents were filed in the MDL on June 28, 2016 and July 7, 2016, namely: the Plaintiffs’ Steering Committee’s proposed Consumer Class Action Settlement Agreement and Release (“Class Action Settlement”); the United States Department of Justice’s, EPA’s, and California Air Resources Board’s proposed Partial Consent Decree (“DOJ Consent Decree”); the Federal Trade Commission’s proposed Partial Stipulated Order for Permanent Injunction and Monetary Judgment (“FTC Order”); and the California Attorney General’s Partial Consent Decree (“CA AG Consent Decree”).

Carolina shall receive from the escrow fund is Seventeen Million Three Hundred and Forty-One Thousand Sixty Dollars and Fifty-Six Cents (\$17,341,060.56).³

3.2 The portion of the Multistate UDAP Payment disbursed to North Carolina will be characterized as a civil penalty.

Permanent Injunctive Relief

IT IS FURTHER ORDERED that:

3.3 Volkswagen, Porsche and their affiliates shall not engage in future unfair or deceptive acts or practices in connection with their dealings with consumers and state regulators, directly or indirectly, including:

- i. Advertising, marketing, offering for sale, selling, offering for lease, leasing, or distributing in North Carolina any vehicle that contains a Defeat Device;
- ii. Misrepresenting that a vehicle complies with any United States, State, or local emissions standard;
- iii. Misrepresenting that a vehicle is environmentally friendly, eco-friendly, green or words of similar import;
- iv. Misrepresenting that a vehicle has low emissions, lower emissions than other vehicles, or a specific level(s) of emissions; or
- v. With respect to environmental or engineering attributes, misrepresenting the degree to which a vehicle maintains its resale

³ On this date, Volkswagen also paid \$20,000,000 to the National Association of Attorneys General ("NAAG").

value, comparative resale value, or any specific resale value.

3.4 Volkswagen shall not engage in any additional unfair or deceptive acts or practices prohibited by the DOJ Consent Decree, the FTC Order or the CA AG Consent Decree, including materially:

- i. Failing to affirmatively disclose the existence of a Defeat Device in advertising or marketing concerning a vehicle, where such vehicle contains a Defeat Device;
- ii. Providing to others the means and instrumentalities with which to make any representation prohibited by this Consent Judgment;
- iii. Misrepresenting or assisting others in misrepresenting any other environmental attribute or the value of a product or service; or
- iv. Making any false or misleading statement, or falsifying any test or data, in or in connection with an application or other submission to the North Carolina Department of Environmental Quality or any additional or successor agency tasked with enforcing vehicle emissions standards.

Additional Undertakings

3.5 The Volkswagen restitution program set forth in the Class Action Settlement, the DOJ Consent Decree, and the FTC Order shall be deemed part of this Consent Judgment.

3.6 Consistent with the terms and definitions set forth therein, Volkswagen shall:

- i. Implement the Buyback, Lease Termination, and Vehicle Modification Recall Program;

- ii. Implement the Vehicle Recall and Emissions Modification Program;
- iii. Comply with its \$2,000,000,000 ZEV Investment Commitments; and
- iv. Pay \$2,700,000,000 to fund Eligible Mitigation Trust Actions.

Reporting

3.7 Volkswagen shall produce to the North Carolina Attorney General: (i) any status reports to be provided by Volkswagen to the EPA, CARB and the California Attorney General ("CA AG") under Paragraph 7.4 of the Appendix A to the DOJ Consent Decree; and (ii) any consumer name and address information to be provided by Volkswagen to the Notice Administrator under the Class Action Settlement.

Volkswagen shall provide this information to the State contemporaneous with its provision to the EPA, CARB, the CA AG, and the Class Action Agreement Notice Administrator, as applicable. North Carolina shall take all reasonable efforts to protect consumer data provided for any purpose related to this Consent Judgment or the other agreements and orders referenced herein. All such reports and information shall be submitted to the State's representative listed in Paragraph 4.16 below or such other person as the State may direct.

3.8 Volkswagen shall promptly respond to the State's reasonable inquiries about the status of its consumers' claims submitted under the Class Action Settlement and/or the FTC Order and the calculation of those consumers' reimbursements. Volkswagen shall provide the State with contact information for a Volkswagen representative for purposes of such inquiries.

Release, Reservation of Rights and Effect of Settlement

3.9 Subject to this paragraph and 3.10 below, in consideration of the relief described in Paragraphs 3.1 through 3.8, the Admissions in Section II above, and the undertakings to which Volkswagen has agreed in the Class Action Settlement, the DOJ Consent Decree and the FTC Order, and upon Volkswagen's payment of the amounts contemplated in Paragraphs 3.1 and 3.2, above:

- i. Except as provided in Paragraph 3.10(iv) below, the State releases Volkswagen, Porsche, their affiliates and any of Volkswagen's, Porsche's or their affiliates' former, present or future owners, shareholders, directors, officers, employees, attorneys, parent companies, subsidiaries, predecessors, successors, dealers, agents, assigns and representatives (collectively, the "Released Parties") from all non-injunctive civil claims that were brought or could be brought under UDAP Laws arising from or related to the Covered Conduct, including: (a) restitution or other monetary payments to consumers; and (b) penalties, fines, restitution or other monetary payments to the State;
- ii. Except as provided in Paragraph 3.10(iv) below, the State releases the Released Parties from all civil claims that were brought or could be brought under UDAP Laws for injunctive relief arising from or related to the Covered Conduct concerning the Subject Vehicles, upon the MDL Court's approval of the Class Action Settlement, the FTC Order, and the DOJ Consent Decree and subject to Volkswagen fulfilling its obligations thereunder;

- iii. The State's release under this Consent Judgment includes claims that the State brought or could have brought under UDAP Laws: (a) in its sovereign enforcement capacity; and (b) as *parens patriae* on behalf of its citizens.

3.10 The State reserves, and this Consent Judgment is without prejudice to, all claims, rights and remedies against Volkswagen, Porsche and their affiliates, and Volkswagen, Porsche and their affiliates reserve, and this Consent Judgment is without prejudice to, all defenses, with respect to all matters not expressly released in Paragraph 3.9 herein, including, without limitation:

- i. any claims arising under state tax laws
- ii. any claims for the violation of securities laws;
- iii. any criminal liability;
- iv. any claims that were brought or could be brought by the State under UDAP Laws for consumer injunctive relief or restitution or other monetary payments to consumers arising from or related to the Covered Conduct concerning the 3.0-liter Subject Vehicles;
- v. any civil claims unrelated to the Covered Conduct;
- vi. any claims arising under state environmental laws and regulations, including laws and regulations regarding mobile source emissions, inspection and maintenance of vehicles and/or anti-tampering provisions ("Environmental Claims"); and
- vii. any action to enforce this Consent Judgment and subsequent, related orders or judgments.

3.11 The Complaint is dismissed in its entirety. All claims raised in the Complaint that are released pursuant to Paragraph 3.9, above, are dismissed with prejudice. Any claims asserted in the Complaint that are reserved pursuant to Paragraph 3.10, above, are dismissed without prejudice.

3.12 Nothing in this Consent Judgment shall create or give rise to a private right of action of any kind.

3.13 Nothing in this Consent Judgment releases any private rights of action asserted by entities or persons not releasing claims under this Consent Judgment, nor does this Consent Judgment limit any defense available to Volkswagen or Porsche in any such action.

3.14 This Consent Judgment is made without trial or adjudication of any issue of fact or law or finding of liability of any kind.

3.15 The Parties agree that this Consent Judgment does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing in this Consent Judgment is intended to apply to, or affect, Defendants' obligations under the laws or regulations of any jurisdiction outside the United States. At the same time, the laws and regulations of other countries shall not affect Defendants' obligations under this Consent Judgment.

Notice

3.16 Any notices required to be sent to the State, Volkswagen or Porsche under this Consent Judgment shall be sent by United States mail, certified mail return receipt requested or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document. The documents shall

be sent to the following addresses:

For North Carolina:

Consumer Protection Division
North Carolina Department of Justice
Post Office Box 629
Raleigh, NC 27602-0629

For Volkswagen:

As to Volkswagen AG and Audi AG:

Berliner Ring 2
38440 Wolfsburg, Germany
Attention: Group General Counsel

As to Volkswagen Group of America, Inc.,
Audi of America, L.L.C. and Volkswagen
Group of America Chattanooga
Operations, LLC:

2200 Ferdinand Porsche Dr.
Herndon, VA 20171
Attention: U.S. General Counsel

As to one or more of the Volkswagen
parties:

David M.J. Rein
William B. Monahan
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

For Porsche:

As to Dr. Ing. h.c. F. Porsche AG:

Dr. Ing. h.c. F. Porsche Aktiengesellschaft
Porscheplatz 1, D-70435 Stuttgart
Attention: GR/ Rechtsabteilung/ General
Counsel

As to Porsche Cars North America, Inc.:

Porsche Cars North America, Inc.
1 Porsche Dr.
Atlanta, GA 30354
Attention: Secretary
With copy by email to offsecy@porsche.us

	<u>As to one or more of the Porsche Parties:</u> Granta Y. Nakayama Joseph A. Eisert • King & Spalding LLP 1700 Pennsylvania Ave., N.W., Suite 200 Washington, DC 20006
--	--

IV. GENERAL PROVISIONS

4.1 Nothing in this Consent Judgment shall limit or expand the Attorney General's right to obtain information, documents or testimony from Volkswagen and Porsche pursuant to any state or federal law, regulation or rule concerning the claims reserved in Paragraph 3.10 or to evaluate Volkswagen's and Porsche's compliance with the obligations set forth in this Consent Judgment.

4.2 In any subsequent judicial proceeding initiated by the State for injunctive relief, civil penalties, or other relief, Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the State in the subsequent proceeding were or should have been brought in the instant case, except with respect to the claims that have been released pursuant to Paragraph 3.9.

4.3 Nothing in this Consent Judgment constitutes an agreement by the State concerning the characterization of the amounts paid hereunder for purposes of any proceeding under the Internal Revenue Code or any state tax laws. This Consent Judgment takes no position with regard to the tax consequences of the Judgment

with regard to federal, state, local and foreign taxes.

4.4 Nothing in this Consent Judgment shall be construed to waive any claims of sovereign immunity any party may have in any action or proceeding.

4.5 Any failure by any party to this Consent Judgment to insist upon the strict performance by any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the provisions of this Judgment.

4.6 This Consent Judgment, which constitutes a continuing obligation, is binding upon the State and Defendants.

4.7 Aside from any action stemming from compliance with this Consent Judgment and except in the event of a Court's material modification of this Judgment, the Parties waive all rights of appeal or to re-argue or re-hear any judicial proceedings upon this Judgment, any right they may possess to a jury trial, and any and all challenges in law or equity to the entry of this Judgment. The Parties will not challenge or appeal (i) the entry of the Judgment, unless the Court materially modifies the terms of the Judgment, or (ii) the Court's jurisdiction to enter and enforce the Judgment.

4.8 Nothing in this Judgment shall relieve the Defendants of their obligation to comply with all North Carolina and federal laws.

4.9 Consent to this Consent Judgment does not constitute an approval by the State of the Defendants' business acts and practices, and Defendants shall not represent this Judgment as such an approval.

4.10 Defendants shall not take any action or make any statement denying, directly or indirectly, the propriety of the Consent Judgment by expressing the view

that the Judgment or its substance is without factual basis. Nothing in this paragraph affects Volkswagen or Porsche's right to take legal or factual positions in defense of litigation or other legal, administrative or regulatory proceedings, including with respect to any legal or factual matter that is not admitted herein.

4.11 Nothing in this Consent Judgment shall preclude any of the Parties from commencing an action to pursue any remedy or sanction that may be available to that party upon its determination that another party has failed to comply with any of the requirements of this Judgment.

4.12 Nothing in this Consent Judgment shall be deemed to create any right in a non-party to enforce any aspect of this Judgment or claim any legal or equitable injury for a violation of this Judgment. The exclusive right to enforce any violation or breach of this Judgment shall be with the Parties to this Judgment and this Court.

4.13 This Consent Judgment formalizes and is consistent with the Settlement Agreement and contains the complete agreement between the Parties relating to the matters discussed herein. This Judgment is not intended to replace, nullify or modify the Parties' obligations as set forth in the Settlement Agreement. No promises, representations or warranties other than those set forth in this Judgment have been made by any of the Parties. This Judgment supersedes all prior communications, discussions or understandings, if any, of the Parties, whether oral or in writing.

4.14 This Court ~~retains~~ retains jurisdiction of this action for the purpose of enforcing or modifying the terms of this Consent Judgment, or granting such further relief as the Court deems just and proper.


4.15 This Consent Judgment may not be changed, altered, or modified except by further order of the Court.

4.16 This Judgment becomes effective upon entry by the Court.

4.17 No court costs shall be taxed to any party.

4.18 Entry of this Consent Judgment is just and proper and in the public interest.

SO ORDERED this the 1st day of FEB, 2017 at 2:40 o'clock P.m.



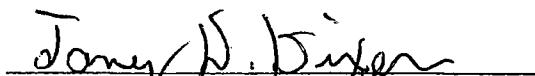
SUPERIOR COURT JUDGE

CONSENTED TO AND SUBMITTED FOR ENTRY BY:

STATE OF NORTH CAROLINA ex rel.

JOSH STEIN, Attorney General

By:



TORREY D. DIXON

Assistant Attorney General
N.C. State Bar No. 36176
tdixon@ncdoj.gov



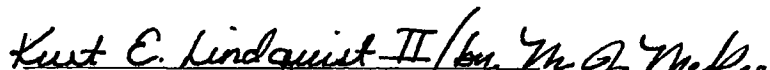
TERESA L. TOWNSEND

Assistant Attorney General
N.C. State Bar No. 13460
ttownsend@ncdoj.gov

N.C. Department of Justice
Consumer Protection Division
114 W. Edenton Street
Raleigh, NC 27603
Phone: (919) 716-6000

Date: 1/24/17

FOR THE DEFENDANTS VOLKSWAGEN
AG, AUDI AG, VOLKSWAGEN GROUP OF
AMERICA, INC., and VOLKSWAGEN
GROUP OF AMERICA CHATTANOOGA
OPERATIONS LLC.:



KURT E. LINDQUIST II
HENRY B. SMYTHE

Womble Carlyle Sandridge & Rice PLLC
One Wells Fargo Center
Suite 3500, 301 South College Street
Charlotte, NC 28202-6037
(704) 331-4900

Date: 1/17/17

-and-

David Rein

ROBERT J. GIUFFRA, JR.
SHARON L. NELLES
DAVID M.J. REIN

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000

Date: January 17, 2017

FOR THE DEFENDANTS DR. ING. H.C. F.
PORSCHE AG and PORSCHE CARS
NORTH AMERICA, INC.:

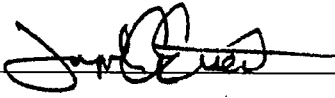
Christopher C. Burris

CHRISTOPHER C. BURRIS
N.C. State Bar # 25305

King & Spalding LLP
1180 Peachtree Street
Atlanta, Georgia 30309
Telephone: (404) 572-4600

Date: January 17, 2017

-and-



GRANTA Y. NAKAYAMA
JOSEPH A. EISERT

King & Spalding LLP
1700 Pennsylvania Ave., N.W. Suite 200
Washington, DC 20006
Telephone: (202) 737-0500

Date: January 20, 2017

EXHIBIT A

PARTIAL SETTLEMENT AGREEMENT

1. Parties. The parties ("Parties") to this Settlement Agreement ("Agreement") are Volkswagen AG, Audi AG, Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of America, Inc.), Audi of America, L.L.C., and Volkswagen Group of America Chattanooga Operations LLC (collectively, "Volkswagen"), Dr. Ing. h.c. F. Porsche AG and Porsche Cars North America, Inc. (together, "Porsche") and each of the states and other jurisdictions that is a signatory hereto (collectively, "the States").¹ With the exception of California, any state or jurisdiction of the United States may accept the terms hereof and will be a Party to this Agreement if it signs below within 30 days of Volkswagen's and Porsche's execution of this Agreement.²
2. Subject Vehicles. As used herein, the term "Subject Vehicles" shall mean each and every light duty diesel vehicle equipped with a 2.0 liter or 3.0 liter TDI engine that Volkswagen and Porsche or their respective affiliates sold or offered for sale in, leased or offered for lease in, or introduced or delivered for introduction into commerce in the United States or its states or territories, or imported into the United States or its states or territories, and that is or was purported to have been covered by the following U.S. Environmental Protection Agency ("EPA") Test Groups:

2.0 Liter Diesel Models

Model Year (MY)	EPA Test Group	Vehicle Make and Model(s)
2009	9VWXV02.035N 9VWXV02.0U5N	VW Jetta, VW Jetta Sportwagen
2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3

¹ For the avoidance of doubt, the term "States" refers to the states and other jurisdictions represented by the authorized signatories to this Agreement with statutory authority to execute this Agreement, including the release contained in paragraph 8 herein.

² The Parties anticipate that Volkswagen will execute this Agreement on or before June 28, 2016.

2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen
2012 2013 2014	CVWXV02.0U4S DVWXV02.0U4S EVWXV02.0U4S	VW Passat
2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible, VW Golf, VW Golf Sportwagen, VW Jetta, VW Passat, Audi A3

3.0 Liter Diesel Models

Model Year (MY)	EPA Test Groups	Vehicle Make and Model(s)
2009	9ADXT03.03LD	VW Touareg, Audi Q7
2010	AADXT03.03LD	VW Touareg, Audi Q7
2011	BADXT03.02UG BADXT03.03UG	VW Touareg Audi Q7
2012	CADXT03.02UG CADXT03.03UG	VW Touareg Audi Q7
2013	DADXT03.02UG DADXT03.03UG DPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel
2014	EADXT03.02UG EADXT03.03UG EPRXT03.0CDD EADXJ03.04UG	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5
2015	FVGAT03.0NU2 FVGAT03.0NU3 FPRXT03.0CDD FVGAJ03.0NU4	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5
2016	GVGAT03.0NU2 GPRXT03.0CDD GVGAJ03.0NU4	VW Touareg Porsche Cayenne Diesel Audi A6 Quattro, A7 Quattro, A8L, Q5

3. **Covered Conduct.** As used herein, the term “Covered Conduct” shall mean any and all acts or omissions, including all communications, occurring up to and including the effective date of this Agreement, relating to: (a) the design,

installation, presence, or failure to disclose any Defeat Device³ in any Subject Vehicle; (b) the marketing or advertisement of any Subject Vehicle as green, clean, or environmentally friendly (or similar such terms), and/or compliant with state or federal emissions standards, including the marketing or advertisement of any Subject Vehicles without disclosing the design, installation or presence of a Defeat Device; and (c) the offering for sale, sale, or lease of the Subject Vehicles in the States. As expressly set forth in paragraph 8 herein, this Settlement Agreement effectuates only a partial resolution and release of claims arising from the Covered Conduct.

4. Binding Agreement. The Parties agree that this Agreement: (a) contains the essential terms resolving each State's claims or potential claims under all potentially applicable state consumer protection and unfair trade and deceptive acts and practices laws, as well as common law and equitable claims (collectively "UDAP Laws"⁴), including claims brought by the States

³ The term "Defeat Device" means "an auxiliary emission control device (AECD) that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless: (1) Such conditions are substantially included in the Federal emission test procedure; (2) The need for the AECD is justified in terms of protecting the vehicle against damage or accident; (3) The AECD does not go beyond the requirements of engine starting; or (4) The AECD applies only for emergency vehicles[.]" 40 C.F.R. § 86.1803-01, or "any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [the Emission Standards for Moving Sources section of the Clean Air Act], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use," 42 U.S.C. § 7552(a)(3)(B).

⁴ Without limitation, the UDAP Laws include: Ala. Code § 8-19-1, *et seq.*; Alaska Stat. § 45.50.471, *et seq.*; Ark. Code Ann. § 4-88-101, *et seq.*; Conn. Gen. Stat. § 42-110a, *et seq.*; Del. Code Ann. tit. 6 § 2511, *et seq.*; Del. Code Ann. tit. § 2531, *et seq.*; D.C. Code §§ 28-3901, *et seq.*; Fla. Stat. § 501.201, *et seq.*; Ga. Code Ann. § 10-1-390, *et seq.*; Haw. Rev. Stat. § 480-1, *et seq.*; Idaho Code Ann. § 48-601 *et seq.*; 815 Ill. Comp. Stat. § 505/1, *et seq.*; Ind. Code § 24-5-0.5-1, *et seq.*; Iowa Code §§ 714.16-714.16A; Kan. Stat. Ann. § 50-623, *et seq.*; La. Rev. Stat. Ann. §

in their sovereign enforcement capacity or as *parens patriae* on behalf of state citizens, other than as reserved in paragraph 8 of this Agreement, against the Released Parties (as defined in paragraph 8) arising from or related to the Covered Conduct concerning the Subject Vehicles; and (b) is fully binding and enforceable notwithstanding any additional documents necessary or appropriate to implement the Agreement, except in States where judicial approval is necessary. A State where judicial approval is required to implement this Agreement will promptly provide Volkswagen and Porsche for review, comment and execution such additional court papers as may require execution by Volkswagen and/or Porsche. To the extent that any State that requires judicial approval does not secure judicial approval, the portion of the Multistate UDAP Payment paid by Volkswagen on account of that State shall be returned to Volkswagen.

5. Execution of Additional Documents, Decrees or Judgments. Volkswagen and Porsche agree to provide prompt cooperation to States seeking to further memorialize or implement this Agreement through execution of any additional documents and/or entry of consent decrees or orders incorporating the terms of this Agreement, including but not limited to injunctive relief, provided however, that (i) such additional documents, decrees or orders shall not materially modify the terms of this Agreement; and (ii) a State may defer

51:1401, *et seq.*; Me. Rev. Stat. tit. 5 §§ 205-A to 214; Md. Code Ann., Com. Law §§ 13-101 to -501; Mass. Gen. Laws ch. 93A, § 2; Mich. Comp. Laws § 445.901, *et seq.*; Minn. Stat. § 325F.67; Miss. Code Ann. § 75-24-1, *et seq.*; Mo. Rev. Stat. § 407.010, *et seq.*; Mont. Code Ann. § 30-14-101, *et seq.*; Neb. Rev. Stat. § 59-1601, *et seq.*; Nev. Rev. Stat. §§ 598.0915, 598.0923, 598.0925; N.H. Rev. Stat. Ann. § 358-A, *et seq.*; N.Y. Gen. Bus. Law §§ 349, 350; N.C. Gen. Stat. § 75-1, *et seq.*; N.D. Cent. Code § 51-15-01, *et seq.*; Ohio Rev. Code Ann. § 1345, *et seq.*; Ohio Rev. Code Ann. § 3704, *et seq.*; Or. Rev. Stat. § 646.605, *et seq.*; 73 Pa. Cons. Stat. § 201-1, *et seq.*; P.R. Laws Ann. tit. 26, § 2701, *et seq.*; R.I. Gen. Laws § 6-13.1-1, *et seq.*; S.C. Code Ann. § 39-5-10, *et seq.*; S.D. Codified Laws § 37-24-6; Tenn. Code Ann. §§ 47-18-101 to -5542; Utah Code Ann. § 13-11a-1, *et seq.*; Vt. Stat. Ann. tit. 9, § 2451, *et seq.*; Va. Code Ann. § 59.1-196, *et seq.*; V.I. Code Ann. tit. 12A, § 183; Wash. Rev. Code § 19.86; Wis. Stat. § 100.20; Wyo. Stat. Ann. § 40-12-101, *et seq.*

execution of such documents until any applicable Environmental Claims⁵ are resolved, provided further that such deferral shall not delay the State providing the Released Parties with the relief set forth in this Agreement, including the releases set forth in paragraph 8.

6. Relief.

(A) Within 15 days from the date on which the MDL⁶ Court grants Preliminary Approval of the proposed Class Action Settlement regarding 2.0 liter diesel vehicles,⁷ Volkswagen shall pay:

- i. To a mutually agreed escrow agent, an amount equal to \$1,100 for each Subject Vehicle originally sold or leased in the States prior to September 18, 2015⁸ (for avoidance of doubt, Volkswagen shall pay no more than one \$1,100 amount for any unique Subject Vehicle) to resolve all potentially applicable claims under the UDAP Laws (the "Multistate UDAP Payment"), to be disbursed and allocated among the States as they, in their

⁵The term "Environmental Claims" shall have the meaning set forth in paragraph 8(B)(vi) below.

⁶ The term "MDL" shall refer to the multidistrict litigation styled as *In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-02672-CRB (N.D. Cal.) (MDL 2672).

⁷ The Parties anticipate that various settlement documents will be filed in the MDL proceeding on June 28, 2016, namely: the Plaintiffs' Steering Committee's proposed Consumer Class Action Settlement Agreement and Release ("Class Action Settlement"); the United States Department of Justice's, EPA's, California Air Resources Board's proposed Partial Consent Decree ("DOJ Consent Decree"); the Federal Trade Commission's proposed Partial Stipulated Order for Permanent Injunction and Monetary Judgment ("FTC Order"); and the California Attorney General's ("CA AG's) Partial Consent Decree ("CA AG Consent Decree").

⁸ A table identifying the number of Subject Vehicles sold or leased in each State is attached as Attachment 1.

sole discretion, determine.⁹ The Multistate UDAP Payment will be treated, as follows:

1. By the States identified on Attachment 2, as monetary payments characterized in each State's sole discretion. Volkswagen and Porsche understand and agree that a State's characterization of this monetary payment in documents, pleadings and/or consent decrees or orders contemplated in paragraph 5(i) herein shall not constitute a material modification of this Agreement; and
 2. by the States identified in Attachment 3, as a monetary payment in settlement of disputed claims to be used as attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, consumer protection enforcement funds, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for any lawful purpose, in each State's sole discretion. The payment described in this sub-paragraph is not a fine, penalty, or payment in lieu thereof.
- ii. \$20,000,000 to the National Association of Attorneys General ("NAAG") to be held and disbursed by NAAG for use by Attorneys General for consumer protection oversight, training and enforcement, including in the area of automobile-related fraud and deception, and for reimbursement of the costs and expenses incurred to date in the States' investigation of Volkswagen and Porsche with respect to the Covered Conduct.

(B) Volkswagen, Porsche and their affiliates shall not engage in future unfair or deceptive acts or practices in connection with their dealings with consumers and state regulators, directly or indirectly, including:

⁹ The Agreement takes no position with regard to the tax consequences of the Agreement with regard to federal, state, local and foreign taxes.

- i. Advertising, marketing, offering for sale, selling, offering for lease, leasing, or distributing in any State any vehicle that contains a Defeat Device;
- ii. Misrepresenting that a vehicle complies with any United States, State, or local emissions standard;
- iii. Misrepresenting that a vehicle is environmentally friendly, eco-friendly, green or words of similar import;
- iv. Misrepresenting that a vehicle has low emissions, lower emissions than other vehicles, or a specific level(s) of emissions; and
- v. With respect to environmental or engineering attributes, misrepresenting the degree to which a vehicle maintains its resale value, comparative resale value, or any specific resale value.

(C) Volkswagen shall not engage in any additional unfair or deceptive acts or practices prohibited by the DOJ Consent Decree, the FTC Order or the CA AG Consent Decree.

7. Admissions. Volkswagen admits: (a) that software in the 2.0 Liter Subject Vehicles enables the vehicles' ECMs to detect when the vehicles are being driven on the road, rather than undergoing Federal Test Procedures; (b) that this software renders certain emission control systems in the vehicles inoperative when the ECM detects the vehicles are not undergoing Federal Test Procedures, resulting in emissions that exceed EPA-compliant and CARB-compliant levels when the vehicles are driven on the road; and (c) that this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 2.0 Liter Subject Vehicles, and, as a result, the design specifications of the 2.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

8. Effect of Settlement/Reservation of Rights.

(A) Subject to paragraphs (B) and (C) below, in consideration of the monetary relief described in paragraph 6(A), the non-monetary relief described in paragraphs 6(B) and 6(C), the admissions in paragraph 7, and the undertakings to which Volkswagen has agreed in the Class Action Settlement, the DOJ Consent Decree and the FTC Order, and

upon Volkswagen's payment of the amount contemplated in paragraph 6(A), above:

- i. Each State releases Volkswagen, Porsche, their affiliates and any of Volkswagen's, Porsche's or their affiliates' former, present or future owners, shareholders, directors, officers, employees, attorneys, parent companies, subsidiaries, predecessors, successors, dealers, agents, assigns and representatives (collectively, the "Released Parties") from all non-injunctive civil claims that were brought or could be brought under UDAP Laws arising from or related to the Covered Conduct, including (i) restitution or other monetary payments to consumers; and (ii) penalties, fines, restitution or other monetary payments to the States.
- ii. Each State releases the Released Parties from all civil claims that were brought or could be brought under UDAP Laws for injunctive relief arising from or related to the Covered Conduct concerning the Subject Vehicles, upon the MDL Court's approval of the Class Action Settlement, the FTC Order, and the DOJ Consent Decree and subject to Volkswagen fulfilling its obligations thereunder.
- iii. Each State's release under this Agreement includes claims that the State brought or could have brought under UDAP Laws: (a) in the States' sovereign enforcement capacity; and (b) as *parens patriae* on behalf of State citizens.

(B) The States reserve, and this Agreement is without prejudice to, all claims, rights and remedies against Volkswagen, Porsche and their affiliates, and Volkswagen, Porsche and their affiliates reserve, and this Agreement is without prejudice to, all defenses, with respect to all matters not expressly released in paragraph 8(A) herein, including, without limitation:

- i. any claims arising under state tax laws;
- ii. any claims for the violation of securities laws;
- iii. any criminal liability;

- iv. any claims that were brought or could be brought by the States under UDAP Laws for consumer injunctive relief or restitution or other monetary payments to consumers arising from or related to the Covered Conduct concerning the 3.0-liter Subject Vehicles;
- v. any civil claims unrelated to the Covered Conduct;
- vi. any claims arising under state environmental laws and regulations, including laws and regulations regarding mobile source emissions, inspection and maintenance of vehicles and/or anti-tampering provisions ("Environmental Claims"); and
- vii. any action to enforce this Agreement and subsequent, related orders or judgments.

(C) This Agreement constitutes a resolution of the States' enforcement actions under the UDAP Laws and nothing in this Agreement shall create or give rise to a private right of action of any kind.

(D) Nothing in this Agreement releases any private rights of action asserted by entities or persons not releasing claims under this Agreement, nor does this Agreement limit any defense available to Volkswagen or Porsche in any such action.

(E) This Agreement is made without trial or adjudication of any issue of fact or law or finding of liability of any kind.

(F) The Parties agree that this Agreement does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing in this Agreement is intended to apply to, or affect, Volkswagen's or Porsche's obligations under the laws or regulations of any jurisdiction outside the United States. At the same time, the laws and regulations of other countries shall not affect Volkswagen's or Porsche's obligations under this Agreement.

9. Restitution and Reporting.

- (A) The Volkswagen restitution program set forth in the Class Action Settlement Agreement to be filed on June 28, 2016 with the MDL Court, the DOJ Consent Decree, and the FTC Order shall be deemed part of this Agreement.
- (B) Volkswagen shall produce to each State (i) any status reports to be provided by Volkswagen to the EPA, the California Air Resources Board ("CARB") and the CA AG under Paragraph 7.4 of the Appendix A to the DOJ Consent Decree; and (ii) any consumer name and address information to be provided by Volkswagen to the Notice Administrator under the Class Action Agreement. Volkswagen shall provide this information to the States contemporaneous with its provision to the EPA, CARB, the CA AG, and the Class Action Agreement Notice Administrator. The States shall take all reasonable efforts to protect data consumers provide for any purpose related to this Agreement or the other settlement agreements referenced herein.
- (C) Volkswagen shall promptly respond to States' reasonable inquiries about the status and calculation of consumers' claims and reimbursement from citizens of their respective State and shall provide the States with contact information for a Volkswagen representative for purposes of such inquiries.

10. Authority of Signatories to Bind the Parties. Each of the persons who signs his/her name below affirms that he/she has the authority to execute this Agreement on behalf of the Party whose name appears next to his/her signature and that this Agreement is a binding obligation enforceable against said Party under applicable state law. Where the signatory is a member of an Attorney General's office, he/she represents that he/she has the authority to execute this Agreement on behalf of his/her respective State and that this Agreement is a binding obligation enforceable against that State under applicable State law.

11. Additional Provisions.

(A) This Agreement supersedes any prior agreements or understandings, whether oral or written, concerning the settlement embodied herein. The Parties acknowledge that there are no documents, representations, inducements, agreements, understandings or promises that constitute any part of this Agreement or the settlement it represents other than those expressly contained in this Agreement.

(B) If any portion of this Agreement is held invalid by operation of law, the remaining terms of this Agreement shall not be affected and shall remain in full force and effect.

(C) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Agreement. Signatures by facsimile or other electronic imaging shall be deemed to constitute original signatures.

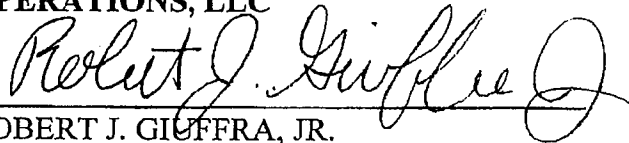
(D) The Parties agree to enter into this Agreement for the purpose of avoiding prolonged and costly litigation, and in furtherance of the public interest. Each of the Parties warrants and represents that the terms of this Agreement were negotiated in good faith.

(E) The terms of this Agreement may be modified only by a subsequent written agreement signed by all the Parties.

(F) Nothing in this Agreement shall be deemed to create any right in a non-party to enforce any aspect of this Agreement or claim any legal or equitable injury for a violation of this Agreement. The exclusive right to enforce any violation or breach of this Agreement shall be with the Parties to this Agreement.

Dated: June 27, 2016

**COUNSEL FOR VOLKSWAGEN AG,
AUDI AG, VOLKSWAGEN GROUP OF
AMERICA, INC. (d/b/a VOLKSWAGEN
OF AMERICA, INC. or AUDI OF
AMERICA, INC.), AUDI OF AMERICA,
L.L.C., and VOLKSWAGEN GROUP OF
AMERICA CHATTANOOGA
OPERATIONS, LLC**



ROBERT J. GIUFFRA, JR.

SHARON L. NELLES

DAVID M.J. REIN

Sullivan & Cromwell LLP

125 Broad Street

New York, New York 10004

Telephone: (212) 558-4000

Dated: June 27, 2016

**COUNSEL FOR DR. ING. H.C. F.
PORSCHE AG and PORSCHE CARS
NORTH AMERICA, INC.**

GRANTA Y. NAKAYAMA

JOSEPH A. EISERT

King & Spalding LLP

1700 Pennsylvania Ave., N.W. Suite 200

Washington, DC 20006

Telephone: (202) 737-0500

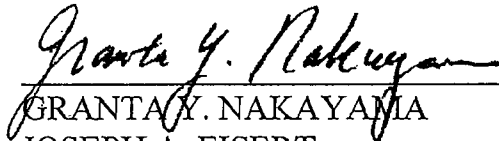
Dated: June 27, 2016

**COUNSEL FOR VOLKSWAGEN AG,
AUDI AG, VOLKSWAGEN GROUP OF
AMERICA, INC. (d/b/a VOLKSWAGEN
OF AMERICA, INC. or AUDI OF
AMERICA, INC.), AUDI OF AMERICA,
L.L.C., and VOLKSWAGEN GROUP OF
AMERICA CHATTANOOGA
OPERATIONS, LLC**


ROBERT J. GIUFFRA, JR.
SHARON L. NELLES
DAVID M.J. REIN
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000

Dated: June 27, 2016

**COUNSEL FOR DR. ING. H.C. F.
PORSCHE AG and PORSCHE CARS
NORTH AMERICA, INC.**


GRANT Y. NAKAYAMA
JOSEPH A. EISERT
King & Spalding LLP
1700 Pennsylvania Ave., N.W. Suite 200
Washington, DC 20006
Telephone: (202) 737-0500

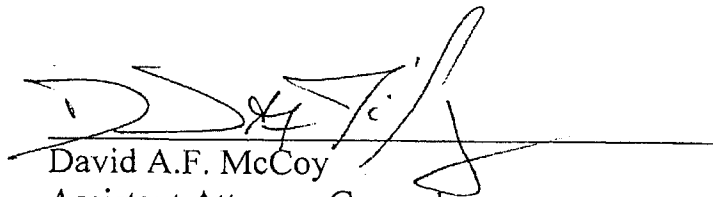
6/28/16
Date


Noel S. Barnes
Assistant Attorney General
Office of the Alabama Attorney General

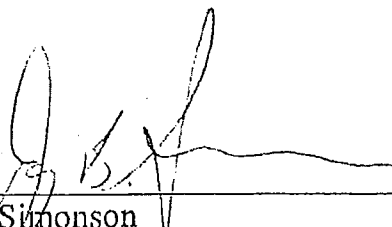
June 27, 2010
Date

Davyn Williams
Davyn Williams
Assistant Attorney General
Office of the Alaska Attorney General

6/28/2016
Date


David A.F. McCoy
Assistant Attorney General
Office of the Arkansas Attorney General

June 28, 2016
Date




Jay Simonson
First Assistant Attorney General
Office of the Colorado Attorney General

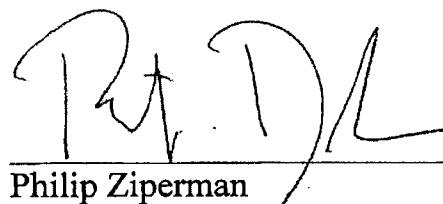
6/27/2016
Date

Brendan T. Flynn
Brendan Flynn
Assistant Attorney General
Office of the Connecticut Attorney General

06/28/16
Date

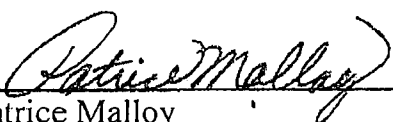

Christian Douglas Wright
Director of the Consumer Protection Unit
Office of the Delaware Attorney General

6/28/16
Date

A handwritten signature in black ink, appearing to read 'P. Ziperman', written over a horizontal line.

Philip Ziperman
Office of Consumer Protection
**Office of the Attorney General for the
District of Columbia**

June 27, 2016
Date

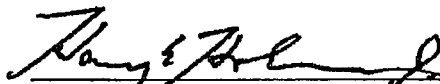


Patrice Malloy
Multi-State and Privacy Bureau
Office of the Florida Attorney General

6/28/2016
Date

Lauren Villnow
Lauren Villnow
Assistant Attorney General
Office of the Georgia Attorney General

6/27/16
Date


Harvey E. Henderson, Jr.
Supervising Deputy Attorney General
Office of the Attorney General, State of
Hawaii

Date

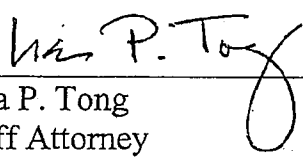
Lisa P. Tong
Staff Attorney
State of Hawaii Office of Consumer
Protection

Date

Harvey E. Henderson, Jr.
Supervising Deputy Attorney General
**Office of the Attorney General, State of
Hawaii**

6/27/16

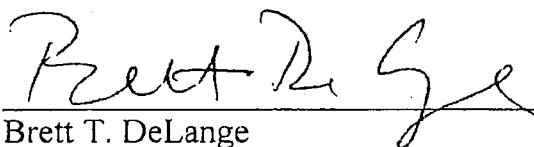
Date



Lisa P. Tong
Staff Attorney
**State of Hawaii Office of Consumer
Protection**

6/27/16

Date

A handwritten signature in black ink, appearing to read "Brett T. DeLange", written over a horizontal line.


Brett T. DeLange

Division Chief


Consumer Protection Division

Office of the Idaho Attorney General

6/28/16
Date



Greg Grzeskiewicz
Assistant Attorney General
Assistant Bureau Chief
Consumer Fraud Bureau
Office of the Illinois Attorney General



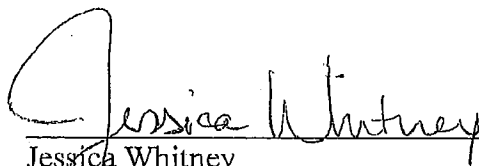
Cassandra Halm
Assistant Attorney General
Consumer Fraud Bureau
Office of the Illinois Attorney General

6/28/16
Date

Matt Light
Matt J. Light
Chief Deputy
Office of the Indiana Attorney General

6-27-16

Date

A handwritten signature in cursive script, reading "Jessica Whitney", written over a horizontal line.

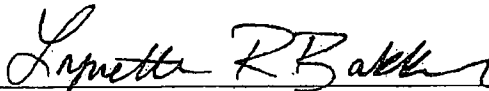
Jessica Whitney

Division Director

Consumer Protection Division

Office of the Iowa Attorney General

June 28, 2016
Date



James J. Welch
Deputy Attorney General
Lynette R. Bakker
Assistant Attorney General
Consumer Protection & Antitrust Division
Office of the Kansas Attorney General

6/29/16
Date

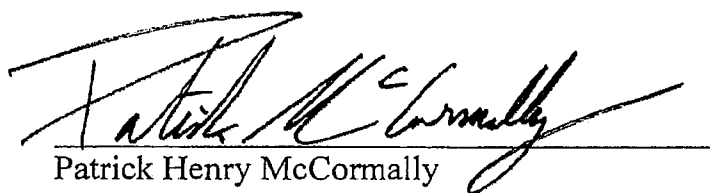
Stacie Lambert deBlieux
Stacie Lambert deBlieux
Assistant Attorney General
Louisiana Department of Justice

June 29, 2016
Date



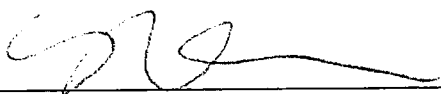
Linda Conti
Assistant Attorney General
Office of the Maine Attorney General
111 Sewall Street
Cross Office Building, 6th Floor
Augusta, Maine 04330
207-626-8591

6/27/16
Date

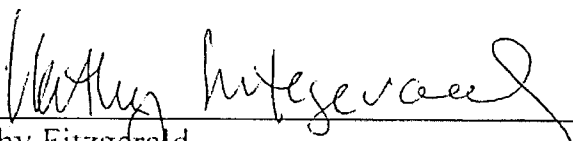


Patrick Henry McCormally
Assistant Attorney General
Consumer Protection Division
Office of the Maryland Attorney General

6/27/16
Date


Gillian Feiner
Chief, False Claims Division
**Office of the Massachusetts Attorney
General**

6/28/2016
Date



Kathy Fitzgerald
Assistant Attorney General
Consumer Protection Division
Michigan Department of Attorney General

6/28/16
Date

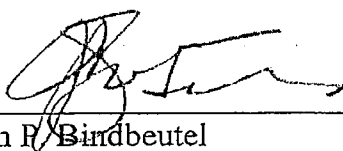
Katherine Kelly
Katherine T. Kelly
Assistant Attorney General
Charities and Civil Law Division

Jason Pleggenkuhle
Assistant Attorney General
Manager, Charities and Civil Law Division
**Office of the Attorney General of the State
of Minnesota**

06/28/2016
Date

Bridgette W. Wiggins
Bridgette W. Wiggins
Special Assistant Attorney General
Office of the Mississippi Attorney General

June 27, 2016
Date



Joseph R. Bindbeutel
Chief Counsel
Consumer Protection Division
Office of the Missouri Attorney General

6/28/16
Date

Chuck Munson
Chuck Munson
Assistant Attorney General
Office of the Montana Attorney General

STATE OF NEBRASKA, ex rel.
DOUGLAS J. PETERSON,
Attorney General, No. 18146

6.28.16

Date

Abigail M. Stempson

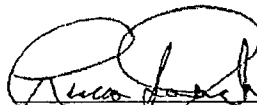
Abigail M. Stempson, No. 23329

Ann K. Post, No. 24957

Assistant Attorneys General

Office of the Nebraska Attorney General

June 27, 2016
Date

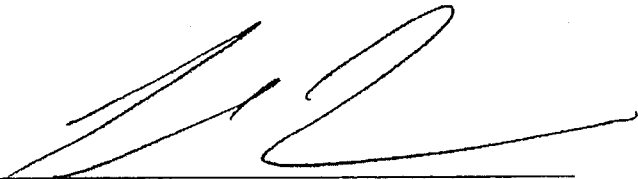
A handwritten signature in black ink, appearing to read "Lucas J. Tucker", is written over a horizontal line.

Lucas J. Tucker
Senior Deputy Attorney General
Bureau of Consumer Protection
Office of the Nevada Attorney General

6/28/16
Date

SS [Signature]
K. Allen Brooks
Senior Assistant Attorney General
Chief, Environmental Protection Bureau
**New Hampshire Office of the Attorney
General**

6/28/16
Date

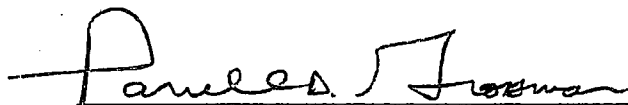


David E. Nachman
Senior Enforcement Counsel
Executive Division
Office of the New York Attorney General

6/28/16
Date

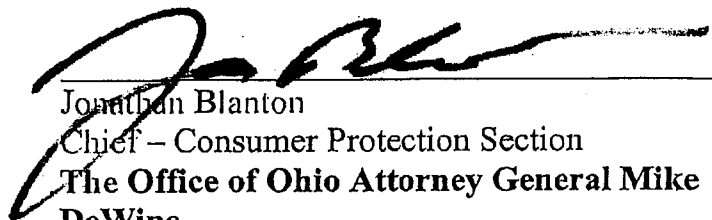
Torrey D. Dixon
Torrey D. Dixon
Teresa L. Townsend
Assistant Attorneys General
Consumer Protection Division
North Carolina Department of Justice

6/27/16
Date



Parrell D. Grossman
Assistant Attorney General
Director
Consumer Protection & Antitrust Division
Office of the North Dakota Attorney General

June 28, 2016
Date


Jonathan Blanton
Chief – Consumer Protection Section
The Office of Ohio Attorney General Mike
DeWine

June 27, 2016
Date



Ellen F. Rosenblum
Attorney General
Oregon Department of Justice

6/28/16
Date

Nicole DiTomo

Nicole R. DiTomo, Deputy Attorney General

Bureau of Consumer Protection

Bruce L. Castor, Jr., Solicitor General

Bruce R. Beemer, First Deputy Attorney
General

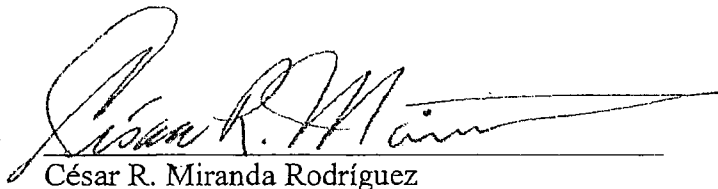
James A. Donahue, III, Executive Deputy
Attorney General

Basil L. Merenda, Chief Deputy Attorney
General

Pennsylvania Office of Attorney General

JUNE, 27, 2016

Date

A handwritten signature in black ink, appearing to read "César R. Miranda", with a long horizontal flourish extending to the right.

César R. Miranda Rodríguez

Attorney General for the Commonwealth of
Puerto Rico

Department of Justice of Puerto Rico

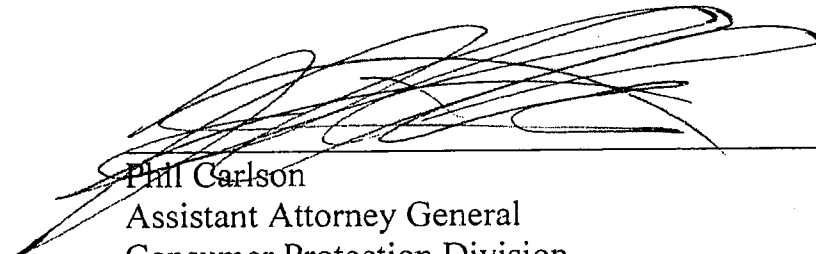
6-28-16
Date

Rebecca Tedford Partington
Rebecca Tedford Partington
Chief, Civil Division
**Department of Rhode Island Attorney
General**

6/28/16
Date

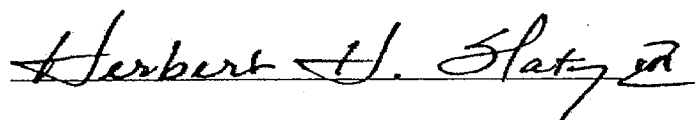
Mary Frances Jowers
Mary Frances Jowers
Assistant Deputy Attorney General
**Office of the South Carolina Attorney
General**

6/29/16
Date



Phil Carlson
Assistant Attorney General
Consumer Protection Division
**Office of the South Dakota Attorney
General**

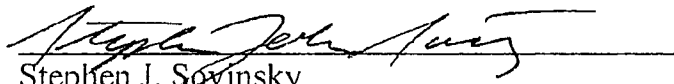
June 27, 2016

A handwritten signature in black ink, reading "Herbert H. Slatery III". The signature is written in a cursive style with a horizontal line underneath the name.

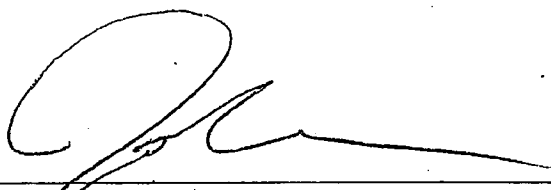
Herbert H. Slatery III
Attorney General and Reporter
State of Tennessee

6-18-16 Spencer E. Austin
Date Spencer E. Austin
Chief Criminal Deputy
Office of the Utah Attorney General

June 28, 2016
Date

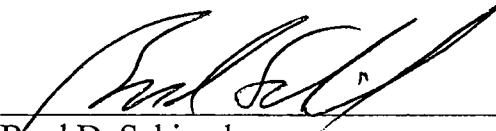

Stephen J. Sovinsky
Assistant Attorney General
Office of the Virginia Attorney General

6/27/16
Date



John A. Nelson
Assistant Attorney General
**Office of the Washington State Attorney
General**

6/28/2016
Date



Brad D. Schimel
Wisconsin Attorney General
Wisconsin Department of Justice

6/27/16

Date

A handwritten signature in black ink, appearing to read 'JGK', written over a horizontal line.

John G. Knepper
Chief Deputy Attorney General
Office of the Wyoming Attorney General

**** THIS PAGE INTENTIONALLY BLANK ****

ATTACHMENT 1

Subject Vehicles Sold and Leased, by State

State	Vehicles
AK	885
AL	4,654
AR	2,873
AZ	11,019
CA	85,285
CO	15,137
CT	11,911
DC	789
DE	1,732
FL	33,420
GA	17,157
HI	911
IA	3,349
ID	2,506
IL	29,823
IN	6,638
KS	2,306
KY	3,156
LA	3,875
MA	15,439
MD	16,326
ME	3,510
MI	11,915
MN	11,733
MO	8,758
MS	1,025
MT	1,931
NC	17,750
ND	692
NE	2,626
NH	6,356
NJ	17,352
NM	2,852
NV	5,264
NY	25,472
OH	13,998

OK	3,394
OR	13,015
PA	23,785
PR	398
RI	3,292
SC	6,206
SD	1,257
TN	11,448
TX	42,812
UT	7,877
VA	20,734
VT	2,772
WA	22,170
WI	11,902
WV	1,734
WY	370

ATTACHMENT 2

Alabama
Arkansas
Colorado
Connecticut
Delaware
Florida
Georgia
Idaho
Massachusetts
Minnesota
Missouri
Nevada
New Hampshire
New York
North Carolina
North Dakota
Ohio
Pennsylvania
Puerto Rico
South Dakota
Tennessee
Wisconsin

ATTACHMENT 3

Alaska
District of Columbia
Hawaii
Iowa
Illinois
Indiana
Kansas
Louisiana
Maine
Maryland
Michigan
Mississippi
Montana
Nebraska
Oregon
Rhode Island
South Carolina
Utah
Virginia
Washington
Wyoming